

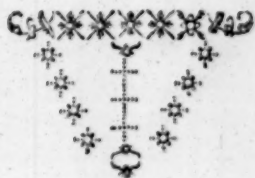
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from the Author

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A
L E T T E R
TO THE
C O M M I T T E E
OF
TWENTY-FIVE PROPRIETORS
OF
I N D I A S T O C K.

By Tho. Bates Aers Esq.



L O N D O N,
Printed in the Year MDCCCLXXIII.

I. Years.	II. Nett amount of sales, customs & Company's duties on private trade, also salt-petre sold to the hon. board of Ordnance.	III. Exports in goods and stores.	IV. Bullion exported.	V. Bills from all India and China.	VI. Customs.	VII. Freight and Demorage.	VIII. Charges general.	Total foreign trade.
June 1762 Custom and Company's duties on private trade, also salt petre to Ordnance.	1,961,017 88,922 2,049,939	441,072	46,876	401,863	533,739	401,988	104,867	1,961,017
June 1763 Customs and Company's duties on private trade, also salt petre to Ordnance	2,645,595 86,443 2,732,038	545,696	39,151	401,276	485,937	524,888	141,475	2,131,475
June 1764 Customs and Company's duties on private trade, also salt-petre to Ordnance	2,570,519 100,976 2,671,495	398,459	366,526	471,319	682,848	469,059	137,460	2,521,460
June 1765 Customs and Company's duties on private trade, also salt-petre to Ordnance	2,777,902 75,161 2,853,063	462,274	315,161	485,854	807,697	454,117	148,550	2,671,460
June 1766 Customs and Company's duties on private trade, also salt-petre to Ordnance	2,389,504 104,874 2,494,378	604,534	946	341,001	687,068	465,850	127,780	2,227,780
June 1767 Customs and Company's duties on private trade, also salt-petre to Ordnance	2,700,849 92,213 2,793,062	513,419	- - - -	415,800	809,288	631,568	270,983	2,641,568
June 1768 Customs and Company's duties on private trade, also salt-petre to Ordnance	3,517,353 152,828 3,670,181	608,055	162,137	220,785	864,878	522,804	236,683	2,615,804
June 1769 Customs and Company's duties on private trade, also salt-petre to Ordnance	3,564,385 94,874 3,659,259	610,058	242,837	266,284	932,708	469,201	249,995	2,771,201
June 1770 Customs and Company's duties on private trade, also salt petre to Ordnance	3,472,402 142,133 3,614,535	435,660	302,983	129,953	883,766	568,744	222,699	2,543,744
June 1771 Customs and Company's duties on private trade, also salt-petre to Ordnance	3,254,124 69,439 3,323,563	505,609	199,615	350,325	897,212	493,237	188,863	2,634,212
June 1772 Customs and Company's duties on private trade, also salt-petre to Ordnance	3,310,068 74,047 3,384,115	454,597	40,000	834,092	850,000	550,000	188,863	2,917,092
To June 1773 But not including any of the produce of the sales of 1773, which begin in March.				600,271 ... due in 1773. 411,564 ... due in 1774.				

The above account is formed with all the exactness possible, except that in the column of charges general, the *first* five years charges are not ascertained with the accuracy of the five following. The variety of articles that come under that head would make it, at this distance of time, a very difficult task. The usual method is therefore adopted, of allowing them to be five per Cent. on the gross amount of sales, this is certainly much short of what they must have been.

The sales of 1772 not being over, they are completed by calculation, in which there can be little error. The charges general of this year are allowed to be the same as the last.

As we do not mean by *this account* to ascertain they have increased upon us, it is sufficiently expressed in the following pages.

In the first column is given the nett produce of the sales; the second column is the amount of salt petre delivered to the ordnance, and the emolument derived from the sale; and likewise the customs on private trade in the fifth column, with the customs on their o

IX.	X.	XI.	XII.	XIII.	XIV.	XV.	XVI.	XVII.
Total of fix foregoing articles.	Nett to the Company's Treafury.	Interest of bonds over what paid by Government.	Dividend.	Indemnification.	Money by agreement.	Total of four foregoing articles.	Ballance for fimple contract debts.	Ballance againft fimple contract debts.
1,930,405	119,534	99,081	191,644	—	—	290,725	—	171,191
2,138,423	593,615	96,543	191,644	—	—	288,187	305,428	—
2,525,671	145,824	76,579	191,644	—	—	268,223	—	122,399
2,673,653	179,410	79,579	191,644	—	—	271,223	—	91,813
2,227,179	267,199	50,627	191,644	—	—	242,271	24,928	—
2,641,058	152,004	50,627	311,408	—	200,000	570,035	—	418,031
2,615,342	1,054,839	50,627	311,408	25,117	400,000	795,152	259,687	—
2,771,083	888,176	50,627	351,348	191,526	400,000	993,501	—	105,325
2,543,805	1,070,730	50,627	383,289	61,881	400,000	895,797	174,933	—
2,634,861	688,702	50,627	399,260	119,683	400,000	969,570	—	280,868
2,917,552	466,563	50,627	295,452	{ G. 84,842 } { B. 117,000 }	371,507	919,428	—	452,865
			Dividend from Midfummer 1772, allowed to be only 6 per cent.	There is likewise due under the head of Indemnification a ballance of 93,000l.	Money to be paid by agreement adjusted to what is to be paid if dividend is 6 per cent. from Midfummer 1772.		764,976	1,642,492 764,976
						Balance againft the Company		877,516

to ascertain our debts, but only to fhew the manner fufficiently exact; the nature of that debt will be feen

the nett produce of the Company's annual fales, in the fmall petre delivered according to charter at a fixed price is derived to the Company from their tax on private trade, which ftand charged to the Company on their own goods.

By the other columns may be feen the proportion of interest, the nation, revenues, and proprietors of India ftock, have in the India trade.

N. B. No bullion was fent to China from England in 1767 or 1768, Bengal fupplying fpecie from its revenues. In the latter years a quantity very unequal to the vaft cargoes received, was fent; part of the money that appears drawn for, in the next column of bills, fupplied the place of it.

Part of the Government Property	Part of the Government Property	Part of the Government Property	Part of the Government Property
100000	100000	100000	100000
100000	100000	100000	100000
100000	100000	100000	100000
100000	100000	100000	100000
100000	100000	100000	100000
100000	100000	100000	100000
100000	100000	100000	100000

TO THE
COMMITTEE of Twenty-five PROPRIETORS
OF
INDIA STOCK.

GENTLEMEN,

THE impossibility of explaining myself satisfactorily at our former meetings, upon the very complex subject which we have undertaken to investigate, has induced me to throw a few thoughts upon paper.

In this Address it shall be my endeavour to fix the attention of the Committee upon that point, to which, in my opinion, all useful enquiries must ever relate.

In the year 1767, it was proposed by the Directors of that time, to make the annual sales the standard, whereby to estimate what the Company should pay each

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year

year to the state. They knew, that whatever advantages might be derived from revenues, or from any other source, the produce of these sales must be the result of the whole; and they therefore declared any engagement for a certain sum, taken upon *conjecture* or *opinion* respecting future events, must be dangerous to the Company. Plain and evident as this truth was, the situation of parties among us, together with the general delusion of the times, caused other sentiments to prevail.

The Directors, at least some of them, had a larger view than the prejudices of men would then permit them to avow. Few men could be easily brought to think, that the Proprietors of India Stock had no separate interest from the other subjects of Great Britain. The Directors nevertheless hoped, by *more immediately* blending the interest of the Exchequer with that of the Company, insensibly to remove every prejudice of this nature, and to lead the attention of Ministers, Directors, and Parliament to the improvement of that fund of wealth, which the India commerce afforded

forded to the nation. The ruinous effects, both at home and abroad, of a different conduct, will be fully seen in the farther progress of our enquiry.

To illustrate this mode of estimating the ability of the Company, I have carried their account through a course of years, and formed, what may not improperly be termed, a scale of trade. In the first column are given the sales of eleven years with the produce of saltpetre sold to the Board of Ordnance, and duties payable upon private trade; which make together the whole receipts of the Company in England. From these sums are deducted goods and stores exported, bullion exported, bills from all India and China, customs, freight and demorage, and charges general in England: which several articles are expressed in several columns. The remainder will be nett produce to the treasury; that fund from which all payments must be made. These payments, therefore, come next to be considered; and when these (under the several heads of interest upon bonds, dividend, indemnifica-

tion, and money paid to the Exchequer by agreement) are compared in their total amount with the fund for payment, the balance will give the annual deficiency, or excess upon the whole engagements of the Company in England.

X One effect of this mode of investigating the Company's affairs, will be to shew the fallacy of an annual general account of debts and effects, as a criterion of dividend, &c. Upon such an account do stand the expences of fortifications, &c. in India, and the value of goods in our warehouses; great part of which goods cannot be converted into money for the purpose of discharging the debts of the Company. Should the Proprietors estimate their ability of dividing among themselves, or paying money to government by such an account, without a reference to the annual sales, immense effects may be accumulated in India, or in the Company's warehouses in England; but a time of distress, like the present, must sooner or later arrive.

I shall make one other observation, and then let the account speak for itself.

The

The improvement of this fund (the nett produce of sales) can only arise from a diminution of the charges, and from so adjusting the goods imported to the demand of the market, that the annual sales may be carried to the utmost possible extent in nett value. Here again we must attend to the fund from which the goods are to be purchased, whether from a surplus of revenues, or from bullion, &c. sent from England. If the former be the fund, the amount of prime cost must be proportioned to the necessities of the country *, and the exigencies of the Company's affairs in India †. If the latter be the fund, as in the China trade, the amount of prime cost compared with the nett produce will be of

* Under this head of enquiry it will be found that we have improvidently exhausted Bengal, without enriching ourselves in any proportion. The same sum might have been received in England at a far less expence to Bengal.

† Under this head we must attend to that impatient demand upon the Company's treasury in Bengal, which induced, or at least increased, the necessity of drawing bills to a large amount payable in England.

the

the last importance ; as the profits alone will be an accession to the Company's treasury in England.

Having explained in some degree the object of our present enquiry, I shall now endeavour to shew the manner in which our debts have grown to so enormous a weight, as to bear down the credit of this great company.

The balance of the India trade (as far as concerned their *Treasury in England*) had been many years against the Company. The profits upon the annual investment from India and China had rarely been received by the Company unincumbered. From various causes *, which, if necessary, I could explain, our expences abroad had exceeded our income abroad, and in consequence the bills drawn upon the Company in England, exceeded the *difference* between the amount of goods and bullion exported, and the prime cost of the cargoes returned. This

* The principal of which were the wars sustained with the French and other powers in India, by which our present revenues have been acquired.

excess, therefore, together with stores sent to India, was an annual charge upon the profits of these cargoes. The remainder of these profits (all charges of freight and customs being paid) was seldom equal to the disbursements of a small dividend to the Proprietors, and the extra-interest of bonds. From this cause we had accumulated in England a debt, which (as the Company by law could borrow only to a certain extent upon *bond*) is denominated the simple-contract debt. The amount of this debt might be easily known at any period, but while it did not exceed the bounds of the Company's credit the burthen was little felt; except that it impeded some improvements, which might otherwise have taken place, in the management of our shipping.

The simple contract debt consisted of money borrowed from the bank, and of money owing for customs, freights, goods, &c. For the truth is, that we really anticipated from year to year the produce of our sales, the last sales yielding to the

Company's treasury before the charges upon the former sales were actually due. This debt, from the causes here explained, was really very great, when we obtained the dewanee of Bengal. The gentlemen then in the management of our affairs, pressed this upon the consideration of parliament and the nation, but from the general delusion, which prevailed, their voice could not be heard. They wished ministers and parliament to consider, that a vast debt had been incurred by the *Company*, entirely for the benefit of the *nation*; that is, for continuing a trade, from which the *nation*, in duties and exported manufactures, reaped a plentiful harvest of millions, while the *Proprietors* had, for a course of years, divided a sum scarcely equal to the debt so incurred.

The Company were enabled to continue a trade, so apparently destructive to themselves, by anticipating the produce of sales, and by borrowing in the best manner they could, what the necessities of the day demanded. To support such a credit, it was necessary to divide upon the
annual

annual account, in which the concerns of the Company at home and abroad were blended, and a credit given for all their possessions, their dead and quick stock in India, &c. This account was made up annually, in compliance with the requisition of our charter, at a certain period, and without an examination of particulars was replaced in the strong box understood only by a few. Such a proceeding was justifiable to the period of which I am speaking, upon the principle of general good; for the nation received many millions in duties and from manufactures exported, for one million of debt so incurred.

When the Dewannee of Bengal was obtained, the necessity for such a conduct no longer existed. It was then urged by the leading Directors of that time to the minister and parliament, that it was impolitic in the highest degree to leave so vast a fund of national credit as this trade afforded in an embarrassed situation. They endeavoured to dispel the general delusion, by representing, that whatever the

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revenues

revenues in India might be, the trade was the single channel, through which these revenues could be received in England; and that a sudden increase of investment could in no degree answer the expectations of the public. They entreated the minister and parliament, not to insist upon a sum certain, when the means of payment must be for ever uncertain; and under a mistaken idea of having secured a separate national interest, to leave the Company unsupported and unassisted to struggle through those difficulties, which a sudden change in their affairs, and the acquisition of a great empire must necessarily produce. The minister was convinced; but unfortunately, the consideration of public duty was of short duration. The interest of the day prevailed; and for a morsel to his annual budget, Mr. Charles Townshend sacrificed the more permanent interest of the nation and the Company. A vote was obtained from the Proprietors, by holding up the terrors of a deluded parliament to some, and by gratifying the private

private views of others. Thus did the minister wrest this engagement by intrigue from those, who neither did, nor could understand what the Company was able to pay, at a time when he himself possessed every necessary information. The implicit confidence of parliament was moreover remarkable, since the remonstrance of the Directors was such, as ought to have awakened their attention.

Success in a former change of the duties upon tea, had suggested a possibility of farther improvement, by a decrease of duties upon a particular species. It had been agreed, to make a trial, at the joint risque of the Exchequer and the Company. By a temperate execution of this plan (the interests being made mutual *), little could have been lost to either party; but the minister, desirous of making the experiment wholly at the Company's expence, thrust this article also into the bargain, which was blindly voted at mid-night.

* Here, likewise, the nation greatly suffered, from a mistaken opinion of separate interests. The real improvement of the revenue would greatly have exceeded what has been taken under the name of indemnification.

This indemnification, added to the four hundred thousand pounds to government, and a dividend of equal amount to the Proprietors, so oppressed the Company, that succeeding Directors, grasping at every means of present relief, pushed the sales to an extravagant degree; and immense sums were wasted, without benefit either to the nation or Proprietors *.

The Directors, in the year 1767, had proposed to deduct from the nett produce of the annual sales, a dividend to the Proprietors, in the first instance; one moiety of the remainder to be paid into the Exchequer, the other moiety to be applied to the payment of our debts †. By fixing the dividend, that infamous practice of stock-jobbing, so fatal to the credit of this country, would in a great measure have been prevented, and by appropriat-

* The ruinous effects of this system in Bengal, are amply delineated in a publication by Harry Verelst, Esq. late governor of Bengal. The effects at home are sufficiently felt.

† By column VI. in the Scale of Trade, may be seen the advantages that *must* be derived to the Exchequer, from an *extention* of the trade.

N. B. The excise fully pays the drawback of customs.

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ing a part of the surplus, to lessen our incumbrances, the security of a trade, essential to the national prosperity, had been placed upon a firm basis. The mode of investigating the Company's affairs, which the execution of such a plan would have rendered necessary, must have precluded all possibility of embarrassment, like the present. It would have done more: it would necessarily have lead to reformation and improvement. By thus examining each year our affairs in detail, every the minutest failure being observed, we should have been taught to look for the cause, and should instantly have applied those remedies, which the present (I had almost said) happy crisis will oblige us to adopt. The idle opinion, moreover, of separate interests being dispelled, parliament would readily have concurred in such measures as the necessity of affairs demanded; and a proper government in Bengal might already have been far advanced.

No additional payment to the Exchequer could have afforded a pretence for an interposition of ministers, when the

benefit to the nation had always been five sixths of the whole. Let our present situation, derived plainly from *other engagements* speak to those, who once affected so great an alarm. For my own part I apprehend no danger from any interposition of *parliament*. Nothing but ignorance or passion can injure us; and from the candid and temperate manner in which the present enquiry is conducted, such fears will soon be dissipated. Let but our affairs be understood, and every man, who has property in Great Britain, will feel himself deeply interested in the fate of the India trade. If a distinction is to be made between our interest as proprietors, and that which we acknowledge in common with our fellow-subjects, the report of the Committee of the House of Commons will decide our conduct. By that report it appears, that, including our fortifications (for which many purchasers may be found among the competitors for dominion in Asia), the proprietors of India Stock may divide more than 200 l. per cent. As
English-

Englishmen indeed we must earnestly with the continuance of a commerce, the failure of which would operate upon the distresses of Great Britain equally as an increase of thirty millions of national debt. Let no proprietor therefore apprehend, that the representatives of the people will not readily lend their assistance to give new motion to this vast machine ; or that they will not instantly supply that fund of credit, which the mistakes of their predecessors have for a time dissolved.

Some excuse may perhaps be necessary for this intrusion upon the time and attention of the Committee ; but as gentlemen had so far honoured my first proposal, as to adopt this mode of investigating the Company's accounts, I was desirous that the use of such an account might be fully understood. It gives in truth a just view of that point, from which all enquiries should originate, and to which they must ultimately refer ; for our possessions in India will be of little value, but as they may prove a source of wealth to Great Britain.

A few

A few observations upon former mistakes, appeared to me not altogether foreign to the subject, because a sense of past errors may produce a reformation, and because in tracing these errors to their origin, we shall discover the means of restoring the Company's affairs. Without this investigation, all palliative measures will prove but the expedients of a day, and serve rather to increase the mischief. Our annual fund is at length freed from those payments, which, under the system adopted, it was ever unable to sustain; let due attention be paid to its improvement, and an abundant source of present credit, and future wealth, will not be wanting to the India Company.

Educated in a partial attachment to the Company, my zeal for its welfare will be my best apology, and I hasten to subscribe myself,

Gentlemen,

Your obedient humble servant,

A MEMBER of the COMMITTEE.